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FOR IMMEDIATE RELEASE

TOKYO-May 8,2002 TDK Corporation today announced its consolidated and nonconsolidated business results for fiscal 2002.

1) Summary

1. Consolidated results

Consolidated results for fiscal 2002, from April 1,2001 through March 31,2002 are as follows:

		Yen millions		U.S.$ thousands	% change
Net sales		575,029		4,323,526	(-16.7 %)
Operating income (loss)	(%)	(42,094)	(-7.3 %)	(316,496)	(-)
Income (loss) before income taxes	(%)	(42,069)	(-7.3 %)	(316,308)	(-)
Net income (loss)	(%)	(24,810)	(-4.3 %)	(186,541)	(-)

2. Nonconsolidated results

Nonconsolidated results for fiscal 2002, from April 1,2001 through March 31,2002 are as follows:

		Yen millions		U.S.$ thousands	% change
Net sales		317,811		2,389,556	(-30.6 %)
Operating income (loss)	(%)	(8,507)	(-2.7 %)	(63,962)	(- %)
Current income	(%)	7,580	(2.4 %)	56,992	(-84.9 %)
Net income (loss)	(%)	(3,794)	(-1.2 %)	(28,526)	(- %)

Note: The amounts shown in U.S. Dollars are converted at the rate of U.S.$1=Yen 133, the opening rate on the Tokyo Foreign Exchange Market on March 29,2002.

2) Management Policies

(1) Fundamental Management Policy

TDK was established in 1935 as the world's first company to commercialize a magnetic material called ferrite. In the ensuing years, TDK has conducted research and development programs in ferrite and a variety of other electronic materials and components. This drive was based on the company's founding spirit: "Contributes to culture and industry through creativity."

To preserve its identity as a dynamic company, TDK is dedicated to creating value for all stakeholders by drawing on innovative thinking and a willingness to tackle new challenges. TDK firmly believes that it must remain an organization that is a constant source of exciting ideas.

(2) Fundamental Policy for Distribution of Earnings

Returning earnings to shareholders is one of TDK's highest management priorities. As such, TDK allocates earnings based on a broad range of factors including the return on equity (ROE), dividends as a percentage of equity (DOE) and the company's performance. Retained earnings are used in many ways to make TDK more competitive. Funds are required to support research and development programs to respond to the rapid technological advances in the electronics industry. TDK must create new technologies in such fields as optical and magnetic recording media, mobile communications, large-capacity recording devices, semiconductor-related products and data communications. In addition, TDK works to develop new products and technologies to respond to the increasingly borderless nature of markets.

(3) Medium- and Long-Term Management Strategy

Information technology, notably the Internet, is bringing about dramatic increases in the speed at which companies must act. At the same time, market participants are now able to quickly distinguish between products of value and those offering no value. We have entered an age when only companies able to provide genuine value will survive. TDK is taking a fresh look at its unique attributes and strengths. By further refining specialized skills in these areas, TDK intends to become a company capable of increasing its value in the 21st century.

To meet the challenges of this operating environment, TDK launched its Exciting 108 medium-term management plan in April 2000. Scheduled to end in March 2004, the plan is structured to transform TDK into an exciting company and increase TDK's value. There are three fundamental elements:

I. Become an e-material solution provider

TDK must be a speedy and dynamic company able to anticipate the needs of its customers. By drawing on its core expertise in electronic materials, TDK will then quickly formulate the value-added products required to solve customers' problems. This process is the essence of providing e-material solutions. During Exciting 108, priority will be placed on recording and communications.

II. Build a world-class management system

Management systems just as businesses themselves are becoming increasingly borderless. Personnel management practices are also on the verge of dramatic change. TDK needs to move swiftly to implement the necessary management systems.

III. Aim for zero emissions

TDK's goal is to operate "eco-factories" with zero emissions. Doing so mandates that factories generate less waste, use more recycled materials and expand their own recycling. Eventually, TDK wants to reach the point where its plants rely completely on recycled materials and generate no emissions at all.

By accomplishing these three objectives, TDK intends to maximize its corporate value, bring its activities in closer step with the environment and make greater contributions to society.

While TDK intends to adhere closely to the above policies, the difficult nature of its markets at present mandates that the company respond flexibly when implementing them.

(4) Corporate Ethics

Fully aware that unethical acts can compromise a company's ability to continue doing business, TDK recently established a corporate code of ethics. TDK is committed to upholding corporate ethical standards and improving risk management.

(5) Strategy to Improve Corporate Governance

Improving the soundness and transparency of the company and increasing shareholder value is partly dependent on improving corporate governance. That's why TDK plans to implement the following measures, subject to approval at its ordinary annual general meeting of shareholders on June 27, 2002 and at a subsequent meeting of the Board of Directors.

1. Energize the Board of Directors: To strengthen the Board's supervisory functions, the company will appoint one outside director and reduce the present number of directors from 12 to 7.

2. Introduce the Post of Corporate Officer: TDK will introduce a corporate officer system, which will see the company appoint 18 corporate officers, with the view to improving execution of day-to-day operations and raising management efficiency. The introduction of this system is intended to speed up decision-making by delegating greater authority to corporate officers and to clearly define responsibilities and authority with respect to the execution of day-to-day operations.

3. Establish a Remuneration Committee: Chaired by the outside director, a Remuneration Committee, made up of the corporate officer in charge of personnel and outside experts, will be formed to act as an advisory organ to the Board of Directors. And to align the interests of directors and corporate officers with those of shareholders, TDK will introduce a remuneration system that more closely links pay with business results by increasing the weight of performance-linked compensation. TDK will also cease providing for retirement allowances for directors. Furthermore, corporate officers as well as high-ranking managers of group companies will be made eligible to receive stock options, which are currently granted only to directors, high-ranking managers of the parent company.

(6) Policy Regarding Reduction of TDK's Share Trading Unit

On August 1, 2000, TDK reduced the trading unit of its common share from 1,000 to 100 shares to broaden the shareholder base and increase the liquidity of the company's shares. TDK will consider a further reduction of the trading unit based on its stock price and market needs as well as on cost-benefit analysis. As of the present time, TDK has no firm plan or specific date in mind for a further reduction in the trading unit.

3) Business Results and Financial Position

(1) Summary

Consolidated results for fiscal 2002, the year ended March 31, 2002, are as follows:

Net sales decreased 16.7% year on year to ¥575,029 million (US$4,323,526 thousand). TDK posted an operating loss of ¥42,094 million (US$316,496 thousand), compared with operating income of ¥56,323 million in fiscal 2001. Furthermore, TDK posted a loss before income taxes of ¥42,069 million (US$316,308 thousand), compared with income before income taxes of ¥64,516 million. TDK also posted a net loss of ¥24,810 million (US$186,541 thousand), compared with net income of ¥43,983 million (US$354,702 thousand) a year earlier. Consequently, net loss per common share was ¥186.68 (US$1.40), compared with ¥330.54 in fiscal 2001.

The fiscal 2002 operating loss partly reflects the inclusion of ¥25,872 million (US$194,526 thousand) in restructuring expenses related to structural reforms for restoring TDK's ability to generate earnings.

During the year, the average exchange rate was ¥125 for the U.S. dollar and ¥110 for the euro, representing decreases in the yen's value of 13% and 10%, respectively. Overall, the yen's depreciation had the effect of lifting net sales by approximately ¥40.8 billion and reducing the operating loss by approximately ¥9.8 billion.

In the electronic materials and components segment, net sales were ¥432,951 million (US$3,255,270 thousand), down 21.6% from the previous year. Overall, the segment was affected by inventory corrections at TDK's customers in a broad range of categories. These corrections were prompted by two main factors: the slowdown in the U.S. economy from the fourth quarter of the previous fiscal year, and a global downturn in IT investment. Prolonging the correction period has been a huge surplus of inventories across a broad spectrum of electronic components. An overly optimistic outlook for worldwide demand for mobile phones and PCs, which have driven advances in digital networking technologies, was to blame for this situation.

Within this segment, sales in the electronic materials sector decreased 23.7% to ¥161,846 million (US$1,216,887 thousand). Multilayer chip capacitors, which account for the majority of capacitor sales, saw sales drop markedly due to falling demand for use in PCs and peripherals and mobile phones; this area posted a significant rise in sales in the previous fiscal year. Cushioning the fall somewhat was a slight rise in demand for multilayer chip capacitors for automotive applications, fueled by the increasing use of electronic systems in automobiles. But sales for this application still constitute a small proportion of overall sales of this product.

In ferrite cores and magnets, sales of ferrite cores for use in data-communications devices such as ADSL (Asymmetric Digital Subscriber Lines) devices, which saw strong demand last year, recorded a sharp drop in sales. The main factor for this downturn was a drop-off in IT investment-related demand. Deflection yoke cores and flyback transformer cores, both key components in TVs and computer monitors, saw sales fall, as competition intensified. Magnet sales decreased overall, too. Lower demand for use in motors for PCs and peripherals and AV products was the main reason. During the year, sales of ferrite magnets for automotive applications were largely the same as the previous year thanks to their increasing use in automobiles and favorable exchange rates.

In the electronic devices sector, sales decreased 27.0% to ¥105,937 million (US$796,519 thousand) year on year. Inductive devices, the largest product category in this sector, recorded lower sales, despite a slight increase in demand for use in automotive applications. This result chiefly reflected falling demand in the key markets for audio and visual products, PCs and peripherals, and communications. High-frequency components recorded a relatively large decrease in sales, compared with other products. Hurting sales was the marked slowdown in demand for mobile phones, which account for a high proportion of sales of these components. In other products, sales were largely flat year on year. Falling sales of chip NTCs and other products, which reflected lower mobile phone demand, were offset by strong demand for DC-DC converters for video game systems.

In the recording devices sector, sales were ¥147,004 million (US$1,105,293 thousand), 13.1% down on the previous fiscal year. In the first half of the year, HDD head sales fell on account of two main factors. One was TDK's delay, relative to competitors, in supplying mainstream 30gigabyte/disk HDD heads. This resulted in TDK losing market share. The other factor was the scaling back of HDD production by TDK's customers, which was prompted by lackluster PC demand. In the second half, sales rose dramatically relative to the first half, enabling TDK to limit the extent of sales declines for the year as a whole. The second-half turnaround was attributable to TDK regaining some lost market share by gradually increasing shipments of its well-received 40gigabyte/disk HDD heads. In other heads, a market slowdown and other factors led to a fall in sales.

Sales in the semiconductor & others sector decreased 29.3% to ¥18,164 million (US$136,571 thousand). This reflected a marked decrease in sales of semiconductors for WAN/LAN and set-top box modems due to the continuing downturn in the semiconductor market. In the previous fiscal year, communications infrastructure equipment and PCs drove demand for semiconductors. Limiting the extent of the overall fall in sector sales were higher sales of anechoic chambers and measurement systems. These product lines benefited from the increasing digitalization of products and the use of higher frequencies.

In the recording media & systems segment, sales edged up 3.2% to ¥142,078 million (US$1,068,256 million). This growth was attributable to higher sales of CD-Rs, which generate the bulk of TDK's optical media sales. In this product category, higher volumes more than offset falling year-on-year sales prices. Other reasons for segment growth were the yen's depreciation and recording equipment sales, which started in fall of the previous fiscal year. Moreover, sales of tape-based data storage media for computers rose, spurred on by the launch of a new product line based on the LTO (Linear Tape-Open) standard, following verification of TDK's LTO products during the year. TDK intends to work on gaining verification for more new standards as a way of driving further growth in this storage media area. Hampering further growth in the segment was the long-term decline in audiotape and videotape sales due to the rising popularity of optical media and DVD software.

By region, sales in Japan decreased 25.7% to ¥164,912 million (US$1,239,940 thousand), reflecting lower year-on-year sales in most product categories due to falling demand. In the Americas, sales declined 13.6% to ¥113,346 million (US$852,225 thousand), owing to soft demand for electronic materials and electronic devices. This outweighed higher sales in the recording media & systems segment, which were lifted by the launch of recording equipment sales (which began in the fall of the previous fiscal year). In Europe, sales decreased 20.8% to ¥80,027 million (US$601,707 thousand), reflecting sluggish demand for electronic materials and electronic devices. In particular, there was a significant decline in sales of high-frequency components mainly for GSM and other mobile phone formats. Sales in the recording media & systems segment increased with the start of recording equipment sales in Europe in the current fiscal year and higher sales volumes of CD-Rs. However, these increases were insufficient to offset the declines. In Asia (excluding Japan) and Others, sales decreased 8.0% to ¥216,744 million (US$1,629,654 thousand). In addition to soft demand for electronic materials and electronic devices, overall sales were hurt by a sharp drop in sales of recording devices, which account for a high proportion of sales in this region. The overall result was a 12.3% fall in overseas sales to ¥410,117 million (US$3,083,586 thousand). Overseas sales accounted for 71.3% of consolidated net sales, up 3.5 percentage points from 67.8% in fiscal 2001.

On a parent-company basis, net sales decreased 30.6% to ¥317,811 million (US$2,389,556 thousand) and current income plummeted 84.9% to ¥7,580 million (US$56,992 thousand). The parent company recorded a net loss of ¥3,794 million (US$28,526 thousand), compared with net income of ¥8,739 million in the previous fiscal year. Accordingly, net loss per share was ¥28.55 (US$0.21), compared with net income per share of ¥65.62 in fiscal 2001.

As with consolidated results, sales in the electronic materials and components segment fell, decreasing 31.7% to ¥271,775 million (US$2,043,421 thousand) due to the adverse effects of softening markets. Sales in the recording media & systems segment decreased 22.7% to ¥46,036 million (US$346,135 thousand). This reflected two main factors: a decrease in parent-company CD-R shipments following the cessation of production at the parent company and subsequent switch to outside purchases; and falling total demand for audiotapes and videotapes.

In line with its policy regarding the allocation of earnings, TDK plans to pay a year-end dividend of ¥20 per share. This is a reduction from the previous year and was made out of consideration of losses on both the consolidated basis and at the parent company. Combined with the interim dividend of ¥30 per share paid in December 2001, the dividend per share applicable to the year is ¥50. On a parent-company basis, fiscal 2002 ROE was –0.9% and DOE was 1.6%. On a consolidated basis, ROE was –4.1% and DOE was 1.3%.

(2) Financial Position

1. As of March 31, 2002, total assets stood at ¥750,871 million (US$5,645,647 thousand), down 8.5% from a year ago. Total stockholders' equity decreased 8.3% to ¥584,888 million (US$4,397,654 thousand). The equity ratio was 77.9%, an increase of 0.1 of a percentage point.

At year-end, cash and cash equivalents had declined ¥25,156 million (US$189,143 thousand) year on year, net trade receivables were down ¥13,758 million (US$103,444 thousand) and inventories ¥25,274 million (US$190,030 thousand). These declines were offset by the reversal of ¥41,290 million (US$310,451 thousand) in prepaid pension costs in accordance with U.S. accounting standards and an increase in long-term deferred tax assets of ¥34,331 million (US$258,128 thousand), included in other assets. As a result of the above and other changes, total assets decreased ¥69,306 million from a year ago.

On the other side of the balance sheet, liabilities decreased ¥17,604 million (US$132,361 thousand). An ¥18,237 million (US$137,120 thousand) increase in retirement and severance benefits was offset by decreases of

¥12,064 million (US$90,707 thousand) in trade payables and ¥17,092 million (US$128,511 thousand) in income taxes. In addition, debt, accrued expenses and other items decreased.

Total stockholders' equity declined by a total of ¥52,861 million (US$397,451 thousand). This reflected a decrease of ¥35,061 million (US$263,617 thousand) in retained earnings mainly due to the net loss for fiscal 2002. Accumulated other comprehensive loss decreased by ¥19,148 million (US$143,970 thousand) due to an increase in minimum pension liability adjustments and a decrease in foreign currency translation adjustments.

2. Cash Flows

(¥ millions)

	Fiscal 2002	Fiscal 2001	Change
Net cash provided by operating activities	41,504	67,597	(26,093)
Net cash used in investing activities	(57,903)	(92,538)	34,635
Net cash used in financing activities	(13,202)	(8,814)	(4,388)
Effect of exchange rate changes on cash and cash equivalents	4,445	10,153	(5,708)
Net decrease in cash and cash equivalents	(25,156)	(23,602)	(1,554)
Cash and cash equivalents at beginning of period	150,917	174,519	(23,602)
Cash and cash equivalents at end of period	125,761	150,917	(25,156)

Operating activities provided cash of ¥41,504 million (US$312,060 thousand), ¥26,093 million less than a year earlier. The main reason for the decrease was the net loss of ¥24,810 million, which partly resulted from the implementation of structural reforms. Depreciation was ¥61,920 million (US$465,564 thousand), ¥1,659 million lower than in the previous fiscal year. In terms of changes in assets and liabilities, capital efficiency improved as decreases were recorded in trade receivables of ¥18,517 million, inventories of ¥28,776 million, trade payables of ¥14,806 million and income taxes of ¥17,181 million.

Investing activities used net cash of ¥57,903 million (US$435,361 thousand), a decrease of ¥34,635 million year on year. Capital expenditures amounted to ¥58,777 million (US$441,932 thousand), a decrease of ¥40,675 million from a year ago. Payments for the purchase of investments increased ¥2,424 million, mainly for investment in a semiconductor venture business, to ¥3,116 million (US$23,429 thousand).

Financing activities used net cash of ¥13,202 million (US$99,263 thousand), ¥4,388 million more than in the previous fiscal year. This mainly represented the repayment of ¥4,345 million (US$32,669 thousand) in short- and long-term debt at overseas subsidiaries, as well as payments of ¥926 million to acquire treasury stock. Dividends paid were ¥7,977 million (US$59,978 thousand), the same level as in the previous year.

Fiscal 2003 Projections

TDK’s consolidated and non-consolidated projections for fiscal 2003, the year ending March 31, 2003, are based on the following assumptions:

- An average exchange rate of ¥120=US$1 for the fiscal year.
- Orders are tending to recover across the board for electronic components. But economic recovery, particularly in the U.S., is tenuous and is expected to be mild at best. Another uncertainty is the absence of any products that look likely to stimulate new demand and sustain a full-fledged recovery in demand for electronic components and semiconductors. With market conditions still difficult for the electronic components industry, TDK does not expect to see any significant growth in sales of electronic materials and electronic devices.
- Sales in the recording devices sector are expected to remain at about the same level as in fiscal 2002. A slight increase in demand for use in PCs and HDDs is expected, but this positive factor is likely to be outweighed by a decrease in the number of heads used per item. On the other hand, TDK expects to gain market share.
- In the recording media & systems segment, TDK is forecasting sales largely on a par with fiscal 2002. This forecast is premised on lower demand for audiotapes and videotapes, and higher demand for optical discs and increased sales of LTO-standard data tapes, which were verified in fiscal 2002.

Consolidated Projections for Fiscal 2003

	Year ending March 2003	% change from FY02	Year ended March 2002
	¥ millions		¥ millions
Net sales	¥580,000	0.9%	¥575,029
Operating income (loss)	20,000	(-)	(42,094)
Income (loss) before income taxes	17,000	(-)	(42,069)
Net income (loss)	13,000	(-)	(24,810)

Non-Consolidated Projections for Fiscal 2003

	Year ending March 2003	% change from FY02	Year ended March 2002
	¥ millions		¥ millions
Net sales	¥300,000	-5.6%	¥317,811
Operating income (loss)	4,000	(-)	(8,507)
Current income	6,500	-14.2%	7,580
Net income (loss)	2,000	(-)	(3,794)

Cautionary Statement About Projections

Projections for the fiscal year ending March 31, 2003 are based on assumptions and beliefs of TDK and its group companies in accordance with data currently available. Consequently, these projections should not be relied upon as the sole basis for evaluating TDK. Actual results may differ substantially from the projections depending on a number of factors.

The electronics markets in which TDK operates are highly susceptible to rapid changes. Furthermore, TDK operates not only in Japan, but in many other countries. As such, factors that can have significant effects on its results include, but are not limited to, shifts in technology, demand, prices, competition, economic environments and foreign exchange rates.

4) Consolidated results for fiscal 2002

1. Financial highlights

Items \ Term	FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000-Mar. 31,2001)		Change
	(Yen millions)	%	(U.S.$ thousands)	(Yen millions)	%	%
Net sales	575,029	100.0	4,323,526	689,911	100.0	-16.7
Operating income (loss)	(42,094)	-7.3	(316,496)	56,323	8.2	-
Income (loss) before income taxes	(42,069)	-7.3	(316,308)	64,516	9.4	-
Net income (loss)	(24,810)	-4.3	(186,541)	43,983	6.4	-
Net income (loss) per common share and per ADS	Yen (186.68)		US$ (1.40)	Yen 330.54		

Notes:

1. The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.
2. The figures for net income (loss) per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
3. During this consolidated accounting period, the company had 77 subsidiaries (26 in Japan and 51 overseas). The company also had 7 affiliates whose financial statements are accounted for by the equity method.
4. U.S.$1=Yen 133

2. Sales breakdown

Products \ Term	FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000-Mar. 31,2001)		Change
	(Yen millions)	%	(U.S.$ thousands)	(Yen millions)	%	%
Electronic materials and components	432,951	75.3	3,255,270	552,195	80.0	-21.6
Electronic materials	161,846	28.1	1,216,887	212,133	30.7	-23.7
Electronic devices	105,937	18.4	796,519	145,216	21.1	-27.0
Recording devices	147,004	25.6	1,105,293	169,140	24.5	-13.1
Semiconductors & Others	18,164	3.2	136,571	25,706	3.7	-29.3
Recording media & systems	142,078	24.7	1,068,256	137,716	20.0	3.2
Total sales	575,029	100.0	4,323,526	689,911	100.0	-16.7
Overseas sales	410,117	71.3	3,083,586	467,821	67.8	-12.3

Note:U.S.$1=Yen 133

3. Statements of income

Items \ Term	FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000 - Mar. 31,2001)		Change
	(Yen millions)	%	(U.S.$ thousands)	(Yen millions)	%	%
Net sales	575,029	100.0	4,323,526	689,911	100.0	-16.7
Cost of sales	462,992	80.5	3,481,143	496,083	71.9	-6.7
Gross profit	112,037	19.5	842,383	193,828	28.1	-42.2
Selling,general and administrative expenses	128,259	22.3	964,353	137,505	19.9	-6.7
Restructuring cost	25,872	4.5	194,526	-	-	-
Operating income (loss)	(42,094)	-7.3	(316,496)	56,323	8.2	-
Other income (deductions):						
Interest and dividend income	2,033		15,286	5,089		
Interest expense	1,264		9,504	490		
Gain on contribution of investment securities to pension trust	-		-	12,518		
Foreign exchange gain (loss)	618		4,647	(1,196)		
Other, net	(1,362)		(10,241)	(7,728)		
Total other income (deductions)	25	-	188	8,193	1.2	-99.7
Income (loss) before income taxes	(42,069)	-7.3	(316,308)	64,516	9.4	-
Income taxes	(16,327)	-2.8	(122,759)	19,792	2.9	-
Income (loss) before minority interests	(25,742)	-4.5	(193,549)	44,724	6.5	-
Minority interests	932	0.2	7,008	(741)	-0.1	-
Net income (loss)	(24,810)	-4.3	(186,541)	43,983	6.4	-
Net income (loss) per common share	Yen (186.68)		US$ (1.40)	Yen 330.54		
Average common shares outstanding	132,900 thousands			133,064 thousands		

Notes:

1. The figures for net income (loss) per common share are calculated based upon the weighted average number of shares of common stock (the total outstanding number).
2. U.S.$1=Yen 133

4. Balance sheets

ASSETS						
Items \ Term	As of March 31, 2002			As of Mar.31,2001		Change
	(Yen millions)	%	(U.S.$ thousands)	(Yen millions)	%	%
Current assets						
Cash and cash equivalents	125,761		945,572	150,917		
Net trade receivables	142,827		1,073,887	156,585		
Inventories	91,149		685,331	116,423		
Prepaid expenses and other current assets	40,430		303,985	28,988		
Total current assets	400,167	53.3	3,008,775	452,913	55.2	-11.6
Investments and advances	24,265	3.2	182,444	21,143	2.6	14.8
Net property,plant,and equipment	265,590	35.4	1,996,917	278,625	34.0	-4.7
Prepaid pension cost	-	-	-	41,290	5.0	-
Other assets	60,849	8.1	457,511	26,206	3.2	132.2
TOTAL	750,871	100.0	5,645,647	820,177	100.0	-8.5

LIABILITIES AND STOCKHOLDERS' EQUITY						
Items \ Term	As of March 31, 2002			As of Mar.31,2001		Change
	(Yen millions)	%	(U.S.$ thousands)	(Yen millions)	%	%
Current liabilities						
Short-term debt	2,312		17,384	5,879		
Trade payables	52,609		395,556	64,673		
Accrued expenses and other current liabilities	52,874		397,549	55,952		
Income taxes	2,546		19,143	19,638		
Total current liabilities	110,341	14.7	829,632	146,142	17.8	-24.5
Long-term debt, excluding current installments	459	0.1	3,451	1,004	0.1	-54.3
Retirement and severance benefits and others	50,590	6.7	380,376	31,848	3.9	58.8
Total liabilities	161,390	21.5	1,213,459	178,994	21.8	-9.8
Minority interests	4,593	0.6	34,534	3,434	0.4	33.8
Stockholders' equity						
Common stock	32,641		245,421	32,641		
Additional paid-in capital	63,051		474,068	63,051		
Legal reserve	15,683		117,917	13,409		
Retained earnings	521,104		3,918,075	556,165		
Accumulated other comprehensive income (loss)	(43,999)		(330,820)	(24,851)		
Treasury stock	(3,592)		(27,007)	(2,666)		
Total stockholders' equity	584,888	77.9	4,397,654	637,749	77.8	-8.3
TOTAL	750,871	100.0	5,645,647	820,177	100.0	-8.5
Total common shares outstanding	132,860 thousands			133,019 thousands		

Note:U.S.$1=Yen 133

5. Statements of stockholders' equity

Items \ Term	FY2002 (April 1,2001 - March 31,2002) (Yen millions)	FY2002 (April 1,2001 - March 31,2002) (U.S.$ thousands)	FY2001 (April 1,2000 - Mar. 31,2001) (Yen millions)
Common stock:			
Balance at beginning of period	32,641	245,421	32,641
Balance at end of period	32,641	245,421	32,641
Additional paid-in capital:			
Balance at beginning of period	63,051	474,068	63,051
Balance at end of period	63,051	474,068	63,051
Legal reserve:			
Balance at beginning of period	13,409	100,819	13,302
Transferred from retained earnings	2,274	17,098	107
Balance at end of period	15,683	117,917	13,409
Retained earnings:			
Balance at beginning of period	556,165	4,181,692	520,276
Net income (loss)	(24,810)	(186,541)	43,983
Cash dividends	(7,977)	(59,978)	(7,987)
Transferred to legal reserve	(2,274)	(17,098)	(107)
Balance at end of period	521,104	3,918,075	556,165
Accumulated other comprehensive income (loss):			
Balance at beginning of period	(24,851)	(186,850)	(58,257)
Other comprehensive income (loss) for the period, net of tax	(19,148)	(143,970)	33,406
Balance at end of period	(43,999)	(330,820)	(24,851)
Treasury stock:			
Balance at beginning of period	(2,666)	(20,045)	-
Acquisition of treasury stock	(926)	(6,962)	(2,666)
Balance at end of period	(3,592)	(27,007)	(2,666)
Total stockholders' equity	584,888	4,397,654	637,749

Disclosure of comprehensive income (loss):			
Net income (loss) for the period	(24,810)	(186,541)	43,983
Other comprehensive income (loss) for the period, net of tax	(19,148)	(143,970)	33,406
Total comprehensive income (loss) for the period	(43,958)	(330,511)	77,389

6. Statements of cash flows

Items / Term	FY2002 (April 1,2001 - March 31,2002) (Yen millions)	FY2002 (April 1,2001 - March 31,2002) (U.S.$ thousands)	FY2001 (April 1,2000 - Mar. 31,2001) (Yen millions)
Cash flows from operating activities:			
Net income (loss)	(24,810)	(186,541)	43,983
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	61,920	465,564	63,579
Loss on disposal of property and equipment	6,436	48,391	5,144
Deferred income taxes	(13,135)	(98,759)	(10,986)
Loss (gain) on securities	207	1,556	(13,450)
Contribution of cash and cash equivalents to pension trust	-	-	(15,315)
Changes in assets and liabilities:			
Decrease in trade receivables	18,517	139,225	22,365
Decrease (increase) in inventories	28,776	216,361	(23,607)
Decrease in trade payables	(14,806)	(111,323)	(18,969)
Increase (decrease) in income taxes	(17,181)	(129,181)	4,766
Other-net	(4,420)	(33,233)	10,087
Net cash provided by operating activities	41,504	312,060	67,597
Cash flows from investing activities:			
Capital expenditures	(58,777)	(441,932)	(99,452)
Proceeds from sale of investments	323	2,429	2,492
Payment for purchase of investments	(3,116)	(23,429)	(692)
Proceeds from maturities of marketable securities	-	-	3,761
Other-net	3,667	27,571	1,353
Net cash used in investing activities	(57,903)	(435,361)	(92,538)
Cash flows from financing activities:			
Proceeds from long-term debt	46	346	614
Repayment of long-term debt	(777)	(5,842)	(1,536)
Increase (decrease) in short-term debt	(3,568)	(26,827)	2,761
Payment to acquire treasury stock	(926)	(6,962)	(2,666)
Dividends paid	(7,977)	(59,978)	(7,987)
Net cash used in financing activities	(13,202)	(99,263)	(8,814)
Effect of exchange rate changes on cash and cash equivalents	4,445	33,421	10,153
Net decrease in cash and cash equivalents	(25,156)	(189,143)	(23,602)
Cash and cash equivalents at beginning of period	150,917	1,134,715	174,519
Cash and cash equivalents at end of period	125,761	945,572	150,917

7. Summary of Significant Accounting Policies

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

(a) Marketable Securities

SFAS No. 115, “Accounting for Certain Investments in Debt and Equity Securities” is adopted.

(b) Inventories

Inventories are stated at the lower of cost or market. Cost is determined principally by the average method.

(c) Depreciation

Depreciation of property, plant, and equipment is principally computed by the declining-balance method for assets located in Japan and of certain foreign subsidiaries, and by the straight-line method for assets of other foreign subsidiaries based on estimated useful lives.

(d) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards.

(e) Retirement and Severance Benefits

TDK accounts for and provides disclosures about its defined benefit pension and retirement plans in accordance with SFAS No. 87, “Employers’ Accounting for Pensions” and with SFAS No. 132, “Employers’ Disclosures about Pensions and Other Postretirement Benefits”.

The weighted-average discount rates used in determining the present value of benefit obligations and expected long-term rate of return on assets were 2.5% and 3.0% for 2002 and 2001,respectively.

(f) Derivatives Financial Instruments

SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” and SFAS No. 138, “Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of FASB Statement No. 133” have been adopted from fiscal 2002.

(g) Goodwill and Other Intangible Assets

SFAS No. 142, “Goodwill and Other Intangible Assets” has been adopted from fiscal 2002.

8. Segment Information

a) Industry Segment Information

Items	Term	FY2002 (April 1,2001-March 31,2002) (Yen millions)	%	(U.S.$ thousands)	FY2001 (April 1,2000 - Mar. 31,2001) (Yen millions)	%	Change %
Electronic materials and components	Net sales	432,951	100.0	3,255,270	552,195	100.0	-21.6
	1)Unaffiliated customers	432,951		3,255,270	552,195		-21.6
	2)Intersegment	0		0	0		
	Operating expenses	467,669	108.0	3,516,308	486,837	88.2	-3.9
	Operating income (loss)	(34,718)	-8.0	(261,038)	65,358	11.8	-
Recording media & systems	Net sales	142,078	100.0	1,068,256	137,716	100.0	3.2
	1)Unaffiliated customers	142,078		1,068,256	137,716		3.2
	2)Intersegment	0		0	0		
	Operating expenses	149,454	105.2	1,123,714	146,751	106.6	1.8
	Operating income (loss)	(7,376)	-5.2	(55,458)	(9,035)	-6.6	18.4
Total	Net sales	575,029	100.0	4,323,526	689,911	100.0	-16.7
	1)Unaffiliated customers	575,029		4,323,526	689,911		-16.7
	2)Intersegment	0		0	0		
	Operating expenses	617,123	107.3	4,640,022	633,588	91.8	-2.6
	Operating income (loss)	(42,094)	-7.3	(316,496)	56,323	8.2	-

b) Geographic Segment Information

Region	Term	FY2002 (April 1,2001-March 31,2002) (Yen millions)	%	(U.S.$ thousands)	FY2001 (April 1,2000 - Mar. 31,2001) (Yen millions)	%	Change %
Japan	Net sales	328,322		2,468,586	459,685		-28.6
	Operating income (loss)	(31,624)	-9.6	(237,774)	39,504	8.6	-
Americas	Net sales	105,804		795,519	136,342		-22.4
	Operating income (loss)	(12,712)	-12.0	(95,579)	(1,394)	-1.0	-
Europe	Net sales	79,329		596,459	100,258		-20.9
	Operating income (loss)	(3,184)	-4.0	(23,940)	2,236	2.2	-
Asia and others	Net sales	268,492		2,018,737	299,015		-10.2
	Operating income	1,700	0.6	12,782	20,982	7.0	-91.9
Intersegment eliminations	Net sales	206,918		1,555,775	305,389		
	Operating income (loss)	(3,726)		(28,015)	5,005		
Total	Net sales	575,029		4,323,526	689,911		-16.7
	Operating income (loss)	(42,094)	-7.3	(316,496)	56,323	8.2	-

Note:The sales are classified by geografic areas of the seller and include transfers between geografic areas.

c) Sales by Region

Region / Term	FY2002 (April 1,2001-March 31,2002) (Yen millions)	%	(U.S.$ thousands)	FY2001 (April 1,2000 - Mar. 31,2001) (Yen millions)	%	Change %
Americas	113,346	19.7	852,225	131,219	19.0	-13.6
Europe	80,027	13.9	601,707	101,018	14.6	-20.8
Asia and others	216,744	37.7	1,629,654	235,584	34.2	-8.0
Overseas sales total	410,117	71.3	3,083,586	467,821	67.8	-12.3
Japan	164,912	28.7	1,239,940	222,090	32.2	-25.7
Net sales	575,029		4,323,526	689,911		-16.7

Notes:
1. Sales by region are classified by geographic areas of the buyer.
2. U.S.$1=Yen 133

9. Fair Value of Securities

(Yen millions)	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
As of March 31,2002				
Equity securities	4,389	596	-	4,985
Debt securities	3,274	24	-	3,298
Total	7,663	620	-	8,283
As of March 31,2001				
Equity securities	3,903	35	592	3,346
Debt securities	2,851	32	-	2,883
Total	6,754	67	592	6,229

(U.S.$ thousands)	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
As of March 31,2002				
Equity securities	33,000	4,481	-	37,481
Debt securities	24,617	180	-	24,797
Total	57,617	4,661	-	62,278

Note:Unlisted stocks are excluded from the above.

10. Fair Value of Derivatives

(Yen millions)	Contract Amount	Carrying Amount	Estimated Fair Value
As of March 31,2002			
Forward foreign exchange contracts	7,576	(59)	(59)
Currency swap agreements and interest rate and currency swap agreements for loans to its subsidiaries	13,268	(315)	(315)
As of March 31,2001			
Forward foreign exchange contracts	16,264	(336)	(404)
Currency option contracts			
Purchased	26,019	(22)	(22)
Written	18,585	(1,055)	(1,055)
Currency swap agreements and interest rate and currency swap agreements for loans to its subsidiaries	20,323	(481)	(566)

(U.S.$ thousands)	Contract Amount	Carrying Amount	Estimated Fair Value
As of March 31,2002			
Forward foreign exchange contracts	56,962	(444)	(444)
Currency swap agreements and interest rate and currency swap agreements for loans to its subsidiaries	99,759	(2,368)	(2,368)

5) Nonconsolidated results for fiscal 2002

1. Financial highlights

Items \ Term	FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000-Mar. 31,2001)		Change
	(Yen millions)	%	(U.S.$ thousands)	(Yen millions)	%	%
Net sales	317,811	100.0	2,389,556	457,676	100.0	-30.6
Operating income (loss)	(8,507)	-2.7	(63,962)	26,084	5.7	-
Current income	7,580	2.4	56,992	50,081	10.9	-84.9
Net income (loss)	(3,794)	-1.2	(28,526)	8,739	1.9	-
Net income (loss) per common share	Yen (28.55)		U.S.$(0.21)	Yen 65.62		
Dividends per share	Yen 20.00		U.S.$ 0.15	Yen 30.00		

Notes:

1. The figures for net income (loss) per common share are calculated based upon the weighted average number of shares of common share (the total outstanding number).
2. The figure for net income (loss) per common share is calculated excluding treasury stock from fiscal 2002.
3. U.S.$1=Yen 133

2. Sales breakdown

Products \ Term	FY2002 (April 1,2001-March 31,2002)			FY2001 (April 1,2000-Mar. 31,2001)		Change
	(Yen millions)	%	(U.S.$ thousands)	(Yen millions)	%	%
Electronic materials and components	271,775	85.5	2,043,421	398,145	87.0	-31.7
Electronic materials	125,456	39.5	943,278	182,503	39.9	-31.3
Electronic devices	78,623	24.7	591,150	115,348	25.2	-31.8
Recording devices	51,749	16.3	389,090	77,701	17.0	-33.4
Semiconductors & Others	15,946	5.0	119,894	22,592	4.9	-29.4
Recording media & systems	46,036	14.5	346,135	59,531	13.0	-22.7
Total sales	317,811	100.0	2,389,556	457,676	100.0	-30.6
Overseas sales	163,839	51.6	1,231,872	237,800	52.0	-31.1

Note:U.S.$1=Yen 133

3. Statements of income

Items \ Term	FY2002 (April 1,2001-March 31,2002) (Yen millions)	FY2002 (U.S.$ thousands)	FY2001 (April 1,2000 - Mar. 31,2001) (Yen millions)	Change %
Income				
Sales	317,811	2,389,556	457,676	-30.6
Other income	17,897	134,563	27,833	
	335,709	2,524,127	485,510	
Costs and expenses				
Cost of sales	267,053	2,007,917	364,586	
S.G.A.	59,265	445,601	67,006	
Interest expenses	104	781	73	
Other expenses	1,705	12,819	3,762	
	328,128	2,467,127	435,428	
Current income	7,580	56,992	50,081	-84.9
Extraordinary profit	365	2,744	16,399	
Extraordinary loss	16,718	125,699	54,025	
Income (loss) before income taxes	(8,772)	(65,954)	12,455	-
Income taxes				
Current	(939)	(7,060)	19,933	
Deferred	(4,039)	(30,368)	(16,218)	
Net income (loss)	(3,794)	(28,526)	8,739	-
Net income (loss) per common share	Yen (28.55)	U.S.$ (0.21)	Yen 65.62	

Note: U.S.$1=Yen 133

4. Balance sheets

ASSETS				
Items / Term	As of March 31,2002		As of Mar.31,2001	Change
	(Yen millions)	(U.S.$ thousands)	(Yen millions)	%
Current assets				
Cash	50,673	381,000	28,072	
Marketable securities	-	-	25,042	
Trade receivables				
Notes	5,179	38,939	10,031	
Accounts	74,825	562,593	96,677	
Allowance for doubtful receivables	(270)	(2,030)	(606)	
Net trade receivables	79,734	599,503	106,102	
Inventories	29,459	221,496	42,495	
Prepaid expenses and other current assets	48,986	368,315	69,791	
Total current assets	208,854	1,570,330	271,504	-23.1
Investments and advances				
Investments in securities	8,267	62,157	6,609	
Share of subsidiaries	106,472	800,541	105,524	
Other	56,491	424,744	42,608	
Allowance for doubtful receivables	(741)	(5,571)	(813)	
Total investments and advances	170,489	1,281,872	153,928	10.8
Property, plant, and equipment				
Land	16,511	124,142	15,441	
Buildings	46,899	352,624	50,114	
Machinery and equipment	65,887	495,390	57,973	
Construction in progress	9,811	73,766	16,130	
Total property, plant, and equipment	139,109	1,045,932	139,660	
Other assets	3,687	27,721	3,339	
TOTAL	522,140	3,925,864	568,432	-8.1

Note:U.S.$1=Yen 133

Balance sheets

LIABILITIES AND STOCKHOLDERS' EQUITY				
Term / Items	As of March 31,2002		As of Mar.31,2001	Change
	(Yen millions)	(U.S.$ thousands)	(Yen millions)	%
Current liabilities				
Trade payables accounts	35,999	270,669	52,060	
Accrued expenses	8,985	67,556	12,083	
Accrued income taxes	-	-	13,384	
Other current liabilities	28,322	212,947	27,664	
Total current liabilities	73,308	551,187	105,192	-30.3
Retirement and severance benefits	21,803	163,932	21,008	
Directors' retirement allowance	589	4,428	569	
Total liabilities	95,701	719,556	126,770	-24.5
Stockholders' equity				
Common stock	32,641	245,421	32,641	
Additional paid-in capital	59,256	445,533	59,256	
Legal reserve	8,160	61,353	8,160	
Retained earnings	329,838	2,479,984	341,687	
Unrealized holding gain (loss) on other securities	133	1,000	(85)	
Treasury stock	(3,592)	(27,007)	-	
Total stockholders' equity	426,439	3,206,308	441,662	-3.4
TOTAL	522,140	3,925,864	568,432	-8.1

Note:U.S.$1=Yen 133

6) Management Changes

1. Candidates for election to the board of directors

Mitsuaki Konno (General Manager, Management Review & Support Dept.)
To be named Corporate Officer

Yasuhiro Hagihara* (Attorney-at Law [Washington, D. C.],
SQUIRE, SANDERS & DEMPSEY L.L.P. ,
Gaikokuhou Jimu Bengoshi Jimusho)

*Outside Director

2. Retiring directors

Shunjiro Saito (Executive Vice President, In charge of Technology)

Joichiro Ezaki (Executive Managing Director,
In charge of Thin-Film technology)
To be named Senior Vice President

Suguru Takayama (Executive Director, In charge of Patent & Licensing)

Takeshi Ohwada (Executive Director, General Manager, SCM Group)
To be named Corporate Senior Officer

Yoshinori Hashimoto (Executive Director, In charge of Head Products)

Kiyoshi Ito (Executive Director,
General Manager, Circuit Devices Business Group)
To be named Senior Vice President

Katsuhiro Fujino (Executive Director,
General Manager, Ferrite & Magnetic products
Business Group)To be named Corporate Senior Officer

(Supplementary Information)

Ratio of results on a consolidated basis to results on a nonconsolidated basis

	Ratio of the FY2002	Ratio of the corresponding period of the previous year
Net sales	1.8	1.5
Operating income	-	2.2
Income before income taxes	-	5.2
Net income	-	5.0

Exchange rates used for conversion

Term / Items	April 1,2001 - Mar.31,2002		April 1,2000 - Mar.31,2001	
	US$=Yen	Euro=Yen	US$=Yen	Euro=Yen
Sales	124.98	110.44	110.51	100.36
The end of the period	133.25	116.14	123.90	109.33

NONCONSOLIDATED

Term / Items	April 1,2001 - March 31,2002		April 1,2000 - March 31,2001		Change (%)
	Amount (YenMil.)	Ratio to sales (%)	Amount (YenMil.)	Ratio to sales (%)	
Investment in facilities	34,563	-	35,952	-	-3.9
Depreciation expenses	25,272	8.0	25,056	5.5	0.9
Research and development expenses	26,776	8.4	26,670	5.8	0.4
Result of financial operation	13,108		23,149		-43.4
Number of employees (as at the end of the period)	7,168		7,314		

CONSOLIDATED

Term / Items	April 1,2001 - March 31,2002		April 1,2000 - March 31,2001		Change (%)
	Amount (YenMil.)	Ratio to sales (%)	Amount (YenMil.)	Ratio to sales (%)	
Investment in facilities	58,777	-	99,452	-	-40.9
Depreciation expenses	61,920	10.8	63,579	9.2	-2.6
Research and development expenses	38,630	6.7	36,970	5.4	4.5
Result of financial operation	769		4,599		-83.3
Number of employees (as at the end of the period)	32,249		37,251		
Ratio of overseas production	53.4 %		56.5 %		

OVERSEAS SALES BY DIVISION

Term / Products	April 1,2001 - March 31,2002		April 1,2000 - March 31,2001		Change (%)
	Amount (YenMil.)	Ratio to sales (%)	Amount (YenMil.)	Ratio to sales (%)	
Electronic materials and components	305,840	53.2	375,327	54.4	-18.5
Electronic materials	116,275	20.2	148,455	21.5	-21.7
Electronic devices	55,234	9.6	83,545	12.1	-33.9
Recording devices	124,298	21.6	124,243	18.0	-
Semiconductors & others	10,033	1.8	19,084	2.8	-47.4
Recording media & systems	104,277	18.1	92,494	13.4	12.7
Overseas sales	410,117	71.3	467,821	67.8	-12.3